

AMENDED IN ASSEMBLY MARCH 26, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1350

Introduced by Assembly Member Salas

February 27, 2015

An act to amend ~~Section 101852~~ *Sections 101852, 101852.1, 101853, 101853.1, 101855, and 101855.1* of the Health and Safety Code, relating to ~~the health~~ *hospital* authorities.

LEGISLATIVE COUNSEL'S DIGEST

AB 1350, as amended, Salas. Kern County Hospital Authority.

The Kern County Hospital Authority Act authorizes the board of supervisors of the County of Kern to, among other things, establish, by ordinance, the Kern County Hospital Authority to manage, administer, and control the Kern Medical Center and for the operation of additional programs, clinics and other facilities, care organizations, physician practice plans, and delivery systems that may be affiliated or consolidated with the medical center. ~~The act makes related findings and declarations. Existing law requires the board of supervisors to adopt, and the authority to implement, a personnel transition plan that requires specified actions, including acknowledgment that the authority, to the extent permitted by federal and state law, is required to be bound by the terms of the memoranda of understanding executed between the county and its exclusive employee representatives that are in effect on the date the county adopts the enabling ordinance. Existing law subjects the authority to other employment and retirement provisions.~~

~~This bill would make nonsubstantive, technical changes to those findings and declarations.~~

This bill would revise and recast those provisions to make technical changes to provisions relating to the transfer of control of the medical center by the county to the Kern County Hospital Authority, as specified. The bill would clarify that the authority is empowered with the maintenance, operation, management, control, ownership, or lease of the medical center, as provided by the enabling ordinance, as specified. The bill would make changes to the personnel transition plan to instead provide that the memoranda of understanding that apply to the authority are those in effect on the date of the transfer of control of the medical center to the authority, as specified. The bill would make other changes to related provisions to further reflect that certain actions be taken on the date of the transfer of control of the medical center to the authority, rather than the date the county adopts the enabling ordinance. The bill would make other changes to provisions related to, among others, retirement provisions, debt instruments, and contract provisions. The bill would authorize the board of supervisors to contract on behalf of the authority.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 101852 of the Health and Safety Code
2 is amended to read:
3 101852. (a) This chapter shall be known, and may be cited,
4 as the Kern County Hospital Authority Act.
5 (b) The Legislature finds and declares all of the following:
6 (1) Kern Medical Center, an acute care hospital currently
7 operated as a constituent department of the County of Kern, is a
8 designated public hospital, as defined in subdivision (d) of Section
9 14166.1 of the Welfare and Institutions Code, and a critical
10 component of the state's health care safety net.
11 (2) A county is authorized under existing law to integrate its
12 county hospital services with those of other hospitals into a system
13 of community service that offers free choice of hospitals to those
14 requiring hospital care, with the objective of eliminating
15 discrimination or segregation based on economic disability, so that
16 the county hospital and other hospitals in the community share in
17 providing services to paying patients and to those who qualify for
18 care in public medical care programs. However, in a new era of

1 health care delivery, it is necessary to pursue approaches that
2 transition beyond acute care-centric orientations.

3 (3) The ongoing evolution of the health care environment
4 requires public entities providing or arranging health care services
5 to pursue innovative health care delivery models that proactively
6 improve the quality of patient care services and patient experience,
7 efficiently and effectively increase access to needed health care
8 services across the care continuum, provide services in a
9 patient-centered manner, and moderate the rate of growth of health
10 care expenditures.

11 (4) The board of supervisors of the County of Kern has
12 determined that providing access to affordable, high-quality health
13 care services, and ensuring the full engagement and viability of
14 the health care safety net in the county are essential for improving
15 the health status of the people of the County of Kern. To further
16 this imperative, it is necessary that the Kern Medical Center, while
17 continuing as a designated public hospital and maintaining its
18 mission, is provided with an organizational and operational
19 structure that facilitates and improves its ability to function with
20 flexibility, responsiveness, and innovation to promote a
21 patient-centric system of care delivery featuring community-based
22 care. This can best be accomplished by allowing the operation of
23 the Kern Medical Center, along with other health-related resources,
24 under a new hospital authority that is able to pursue efforts towards
25 a delivery system that embraces population health management
26 strategies, is effectively positioned for health plan-provider
27 alignment, and maximizes opportunities for employees and
28 enhancement of staff morale.

29 (5) This chapter is necessary to allow the formation of a *new*
30 *political subdivision*, a public hospital ~~authority~~ *authority*, for the
31 purposes described above.

32 *SEC. 2. Section 101852.1 of the Health and Safety Code is*
33 *amended to read:*

34 101852.1. For purposes of this chapter, the following
35 definitions shall apply:

36 (a) “Authority” means the Kern Hospital System Authority
37 established pursuant to this chapter.

38 (b) “Board of supervisors” means the board of supervisors of
39 the County of Kern.

1 (c) “Board of governors” means the governing body of the
2 authority.

3 (d) “County” means the County of Kern.

4 (e) “Enabling ordinance” means the county ordinance enacted
5 by the board of supervisors pursuant to this chapter to establish
6 the authority, as it may be amended from time to time.

7 (f) “Medical center” means the assets and liabilities comprising
8 the Kern Medical Center, including, without limitation, a licensed
9 acute care hospital and related public health care programs,
10 facilities, care organizations, physician practice plans and delivery
11 systems, which may be hospital-based or nonhospital-based, as
12 specified by the board of supervisors or the authority now or in
13 the future, as the case may be, depending on which entity controls
14 the medical center.

15 (g) *“Transfer of control of the medical center” means the*
16 *transfer by the county to the authority of the maintenance,*
17 *operation, management, and personnel of the medical center;*
18 *whether by lease, transfer of ownership, or other means, as*
19 *provided by, and subject to, any conditions and limitations*
20 *specified by the board of supervisors in the enabling ordinance.*

21 SEC. 3. Section 101853 of the Health and Safety Code is
22 amended to read:

23 101853. (a) Pursuant to this chapter, the board of supervisors
24 may establish by ordinance the Kern County Hospital Authority,
25 which shall be a public agency that is a local unit of government
26 separate and apart from the county and any other public entity for
27 all purposes. The authority established pursuant to this chapter
28 shall file the statement required by Section 53051 of the
29 Government Code, and is a public entity for purposes of Division
30 3.6 (commencing with Section 810) of Title 1 of the Government
31 Code.

32 (b) The purpose of the authority shall be to do all of the
33 following:

34 (1) Provide management, administration, and other controls
35 consistent with this chapter as needed to operate the medical center
36 and maintain its status as a designated public hospital, as defined
37 in subdivision (d) of Section 14166.1 of the Welfare and
38 Institutions Code, and for the operation of additional programs,
39 clinics and other facilities, care organizations, health care service
40 and physician practice plans, and delivery systems that may be

1 affiliated or consolidated with the medical center, to ensure the
2 viability of the health care safety net in the county in a manner
3 consistent with the county's requirements under Section 17000 of
4 the Welfare and Institutions Code.

5 (2) Provide management, administration, and other controls
6 consistent with this chapter to negotiate and enter into contracts
7 to provide or arrange, or provide directly, on a fee-for-service,
8 capitated, or other basis, health care services to individuals
9 including, but not limited to, those covered under Subchapters
10 XVIII (commencing with Section 1395), XIX (commencing with
11 Section 1396), and XXI (commencing with Section 1397aa) of
12 Chapter 7 of Title 42 of the United States Code, those entitled to
13 coverage under private group coverage, private individual coverage,
14 including without limitation, coverage through Covered California,
15 other publicly supported programs, those employed by public
16 agencies or private businesses, and uninsured or indigent
17 individuals.

18 (c) Subject to the requirements of this chapter, the authority
19 shall have, and be charged with, authority for the ~~management,~~
20 ~~administration, and control~~ *maintenance, operation, management,*
21 *control, ownership, or lease* of the medical center and other
22 health-related resources, *as provided by the enabling ordinance.*
23 The State Department of Health Care Services shall take all
24 necessary steps to ensure all of the following:

25 (1) The authority ~~is permitted~~ *has all of the licenses, permits,*
26 *and approvals needed* to operate the medical center.

27 (2) The medical center continues its status as a designated public
28 hospital to at least the same extent as it would be designated in the
29 absence of its transfer to the authority pursuant to this chapter.

30 (3) The authority may participate as a contributing public agency
31 for all of the purposes specified in Section 433.51 of Title 42 of
32 the Code of Federal Regulations, to the extent permitted by federal
33 law.

34 (d) The board of supervisors, in the enabling ordinance, shall
35 establish the terms and conditions of the transfer to the authority
36 from the county, including, but not limited to, all of the following:

37 (1) Any transfer of real and personal property, assets, and
38 liabilities, including, but not limited to, liabilities of the medical
39 center determined and assigned by the county for county funds

1 previously advanced, but not repaid or otherwise recovered, to
2 fund the operations of the medical center.

3 (2) Transfer of employees, including any necessary personnel
4 transition plan, as specified in Section 101853.1, allocation of
5 credit for funded pension assets and responsibility for any unfunded
6 pension liabilities under the Kern County Employees' Retirement
7 Association or other retirement plans, and funding of the accrued
8 benefits of employees of the authority in the event of withdrawal
9 from the plan or dissolution of the authority. Any allocation of
10 credit for funded pension assets and responsibility for any unfunded
11 pension liabilities with respect to the Kern County Employees'
12 Retirement Association must be approved by its governing board
13 of retirement after consideration of legal and actuarial analysis,
14 and no such allocation may be made that would jeopardize the
15 qualified status of the Kern County Employees' Retirement
16 Association under the federal Internal Revenue Code.

17 (3) Maintenance, operation, ~~and management or ownership~~
18 *management, control, ownership, or lease* of the medical center.

19 (4) Transfer of licenses.

20 (5) *Whether funds of the authority shall be deposited in the*
21 *custody of, and paid out solely through, the county treasurer's*
22 *office.*

23 ~~(5)~~

24 (6) Any other matters as the board of supervisors deems
25 necessary, appropriate, or convenient for the conduct of the
26 authority's activities.

27 (e) (1) Notwithstanding any other law, a transfer of
28 ~~maintenance, operation, and management or ownership or lease~~
29 *control* of the medical center to the authority may be made, with
30 or without the payment of a purchase price by the authority, and
31 otherwise upon the terms and conditions as found necessary by
32 the board of supervisors and specified in the enabling ordinance
33 to ensure that the transfer will constitute an ongoing material
34 benefit to the county and its residents.

35 (2) A transfer of the ~~maintenance, operation, and management,~~
36 ~~or ownership or lease~~ *control* of the medical center to the authority
37 shall not be construed as empowering the authority to transfer any
38 ownership interest of the county in any portion of the medical
39 center except as otherwise approved by the board of supervisors.

1 (3) The authority shall not transfer the maintenance, operation,
2 ~~and management or ownership~~ *management, control, ownership*,
3 or lease of the medical center to any other person or entity without
4 the prior written approval of the board of supervisors. This
5 paragraph shall not prevent the county, by ordinance, from allowing
6 the disposal of obsolete or surplus equipment, supplies, or
7 furnishings of the medical center by the authority.

8 (4) With respect to ~~the~~ *its* maintenance, operation, ~~and~~
9 ~~management or ownership~~ *management, control, ownership*, or
10 lease of the medical center, the authority shall conform to both of
11 the following requirements:

12 (A) Comply with any applicable requirements of Section
13 14000.2 of the Welfare and Institutions Code.

14 (B) Comply with any applicable requirements of Section 1442.5.

15 (5) The board of supervisors may retain control of the medical
16 center physical plant and facilities, as specifically provided for in
17 the enabling ordinance or other lawful agreements entered into by
18 the board of supervisors. Any lease agreement between the county
19 and the authority shall provide that county premises shall not be
20 sublet without the approval of the board of supervisors.

21 (6) Notwithstanding any other provision of this chapter, and
22 whether or not accompanied by a change in licensing, the
23 authority's responsibility for the maintenance, operation, ~~and~~
24 ~~management~~ *management, or control* of the medical center, or any
25 ownership or leasehold interest of the authority in the medical
26 center, does not relieve the county of the ultimate responsibility
27 for indigent care pursuant to Section 17000 of the Welfare and
28 Institutions Code.

29 (7) For purposes of Article 12 (commencing with Section
30 17612.1) of Chapter 6 of Part 5 of Division 9 of the Welfare and
31 Institutions Code, and the definition set forth in subdivision (f) of
32 Section 17612.2 of the Welfare and Institutions Code, the medical
33 center, excluding components that provide predominately public
34 health services, and the county are affiliated governmental entities.

35 (f) The board of supervisors may contract with the authority for
36 the provision of indigent care services on behalf of the county.
37 The contract shall specify that county policies, as may be modified
38 from time to time and consistent with the county's obligations
39 under Section 17000 of the Welfare and Institutions Code, shall
40 be applicable. Notwithstanding any other provision of this chapter,

1 the authority shall not undertake any of the county's obligations
2 under Section 17000 of the Welfare and Institutions Code, nor
3 shall the authority have an entitlement to receive any revenue for
4 the discharge of the county's obligations, without a written
5 agreement with the county. Any contract executed by and between
6 the county and the authority shall provide for the indemnification
7 of the county by the authority for liabilities as specifically set forth
8 in the contract, except that the contract shall include a provision
9 that the county shall remain liable for its own negligent acts.
10 Indemnification by the authority shall not divest the county from
11 its ultimate responsibility for compliance with Section 17000 of
12 the Welfare and Institutions Code.

13 (g) Unless otherwise agreed to by the authority and the board
14 of supervisors, an obligation of the authority, statutory, contractual,
15 or otherwise, shall be the obligation solely of the authority and
16 shall not be the obligation of the county or any other entity, and
17 any contract executed by and between the county and the authority,
18 or any other entity and the authority, shall contain a provision that
19 liabilities or obligations of the authority with respect to its activities
20 pursuant to the contract shall be the liabilities or obligations of the
21 authority and shall not be or become the liabilities or obligations
22 of the county or the other entity, respectively. An obligation of the
23 authority, statutory, contractual, or otherwise, shall not be the
24 obligation of the state.

25 (h) The authority shall not be a "person" subject to suit under
26 the Cartwright Act (Chapter 2 (commencing with Section 16700)
27 of Part 2 of Division 7 of the Business and Professions Code).

28 (i) The authority is not subject to the jurisdiction of a local
29 agency formation commission pursuant to the
30 Cortese-Knox-Hertzberg Local Government Reorganization Act
31 of 2000 (Division 3 (commencing with Section 56000) of Title 5
32 of the Government Code), or any successor statute.

33 (j) The authority is a "district" within the meaning set forth in
34 the County Employees Retirement Law of 1937 (Chapter 3
35 (commencing with Section 31450) of Part 3 of Division 4 of Title
36 3 of the Government Code). Employees of the authority are eligible
37 to become members or maintain membership, as applicable, in the
38 Kern County Employees' Retirement Association, to the extent
39 described in subdivision (g) of Section 101853.1.

1 (k) Any determination with respect to the manner in which the
2 authority qualifies as a governmental plan sponsor under Section
3 414(d) of the Internal Revenue Code shall be limited to relevant
4 employee benefits purposes of that code only, and shall not change
5 or otherwise modify the authority's status as a public agency that
6 is ~~a unit of local~~ *local unit of* government for other purposes
7 specified in this chapter.

8 *SEC. 4. Section 101853.1 of the Health and Safety Code is*
9 *amended to read:*

10 101853.1. (a) In exercising its powers to employ personnel,
11 the authority shall implement, and the board of supervisors shall
12 adopt, a personnel transition plan. The personnel transition plan
13 shall require all of the following:

14 (1) Ongoing communication to employees and recognized
15 employee organizations regarding the impact of the transition on
16 existing medical center, county, and other health care facility
17 employees and employee classifications.

18 (2) Meeting and conferring with representatives of affected
19 bargaining unit employees on both of the following issues:

20 (A) A timeframe for which the transfer of personnel shall occur.

21 (B) Specified periods of time during which county or medical
22 center employees affected by the establishment of the authority
23 may elect to be considered for appointment and exercise
24 reinstatement rights, if applicable, to funded, equivalent, vacant
25 county positions for which they are qualified and eligible. An
26 employee who first elects to remain with the county may
27 subsequently seek reinstatement with the authority within 30 days
28 of the election to remain with the county and shall be subject to
29 the requirements of this article.

30 (3) Acknowledgment that the authority, to the extent permitted
31 by federal and state law, *and consistent with paragraph (3) of*
32 *subdivision (d)*, shall be bound by the terms of ~~the those~~
33 memoranda of understanding executed between the county and its
34 exclusive employee representatives that are in effect on the date
35 ~~the county adopts the enabling ordinance pursuant to this chapter.~~
36 *of the transfer of control of the medical center to the authority.*
37 Subsequent memoranda of understanding with exclusive employee
38 representatives shall be subject to approval only by the board of
39 governors.

1 (4) Communication to the Board of Retirement of the Kern
2 County Employees' Retirement Association or other retirement
3 plan of any personnel transition plan, memoranda of understanding,
4 or other arrangements that are related to the participation of the
5 authority's employees or the addition of new employees in the
6 retirement plan.

7 (b) Implementation of this chapter shall not be a cause for the
8 modification of the medical center or county employment benefits.
9 ~~Upon the execution of the enabling ordinance, employees~~
10 ~~Employees~~ of the medical center or county on the date of ~~execution,~~
11 ~~transfer,~~ who become authority employees, shall retain their
12 existing or equivalent classifications and job descriptions upon
13 transfer to the authority, comparable pension benefits (if
14 permissible pursuant to relevant plan terms), and their existing
15 salaries and other benefits that include, but are not limited to,
16 accrued and unused vacation, sick leave, personal leave, health
17 care, retiree health benefits, and deferred compensation plans. The
18 transfer of an employee from the medical center or county shall
19 not constitute a termination of employment for purposes of Section
20 227.3 of the Labor Code, or employee benefit plans and
21 arrangements maintained by the medical center or county, except
22 as otherwise provided in the enabling ordinance or personnel
23 transition plan, nor shall it be counted as a break in uninterrupted
24 employment for purposes of Section 31641 of the Government
25 Code with respect to the Kern County Employees' Retirement
26 Association, or state service for purposes of the Public Employees'
27 Retirement System (Part 3 (commencing with Section 20000) of
28 Division 5 of Title 2 of the Government Code).

29 (c) Subject to applicable state law, the authority shall recognize
30 the exclusive employee representatives of those authority
31 employees who are transferred from the county or medical center
32 to the authority pursuant to this chapter.

33 (d) In order to stabilize labor and employment relations and
34 provide continuity of care and services to the people of the county,
35 and notwithstanding any other law, the authority shall do all of the
36 following for a period of 24 months after the effective date of the
37 transfer of *control* of the medical center to the authority:

38 (1) Continue to recognize each exclusive employee
39 representative of each bargaining unit.

1 (2) Continue to provide the same level of employee benefits to
2 authority employees, whether the obligation to provide those
3 benefits arise out of a memorandum of understanding, or other
4 agreements or law.

5 (3) Extend and continue to be bound by any existing memoranda
6 of understanding covering the terms and conditions of employment
7 for employees of the authority, including the level of wages and
8 benefits, and any county rules, ordinances, or policies specifically
9 identified and incorporated by reference in a memoranda of
10 understanding for 24 months or through the term of the
11 memorandum of understanding, whichever shall be the longer,
12 unless modified by mutual agreement with each of the exclusive
13 employee representatives. The authority shall continue to provide
14 those pension benefits specified in any memoranda of agreement
15 as long as doing so does not conflict with any Kern County
16 Employee Retirement Association plan provisions, or federal or
17 state law including the County Employees Retirement Law of 1937
18 (Chapter 3 (commencing with Section 31450) of Part 3 of Division
19 4 of Title 3 of the Government Code and the federal Internal
20 Revenue Code).

21 (4) Meet and confer with the exclusive employee representatives
22 to develop processes and procedures to address employee
23 disciplinary action taken against permanent employees. If the
24 authority terminates, suspends, demotes, or reduces the pay of a
25 permanent employee for disciplinary reasons, those actions shall
26 only be for cause consistent with state law, and an employee shall
27 be afforded applicable due process protections granted to public
28 employees under state law. Permanent employees laid off by the
29 authority within six months of the date ~~the ordinance is adopted~~
30 *of the transfer of control of the medical center* shall remain on the
31 county reemployment list for two years. Inclusion on the county
32 reemployment list is not a guarantee of reemployment. For the
33 purposes of this paragraph, the term “permanent employees”
34 excludes probationary employees, temporary employees, seasonal
35 employees, provisional employees, extra help employees, and per
36 diem employees.

37 (5) To the extent layoffs occur, and provided that all other
38 previously agreed upon factors are equal, ensure that seniority
39 shall prevail. The authority shall meet and confer with the exclusive
40 employee representatives to address layoff procedures and the

1 manner in which, and the extent to which, seniority shall be
2 measured for employees who transfer from the medical center or
3 county.

4 (e) Permanent employees of the medical center or county on
5 the effective date of the transfer of *control of* the medical center
6 to the authority, shall be deemed qualified for employment in
7 equivalent positions at the authority, and no other qualifications
8 shall be required except as otherwise required by state or federal
9 law. Probationary employees on the effective date of the transfer,
10 as set forth in this paragraph, shall retain their probationary status
11 and rights and shall not be required to serve a new probationary
12 or extend their probationary period by reason of the transfer. To
13 the extent possible, employees who transfer to equivalent positions
14 at the authority shall retain their existing classifications and job
15 descriptions, but if there is a dispute over this issue, the authority
16 agrees to meet and confer with the exclusive employee
17 representatives of the transferred employees.

18 (f) Employees who transfer from the medical center or county
19 to the authority shall retain the seniority they earned at the medical
20 center or county and any benefits or privileges based on the
21 seniority.

22 (g) Notwithstanding any other law, employees of the authority
23 may participate in the Kern County Employees' Retirement
24 Association, operated pursuant to the County Employees
25 Retirement Law of 1937 (Chapter 3 (commencing with Section
26 31450) of Part 3 of Division 4 of Title 3 of the Government Code)
27 as set forth below. However, the authority and employees of the
28 authority, or certain designated parts thereof, shall not participate
29 in the Kern County Employees' Retirement Association if the
30 board of retirement, in its sole discretion, determines that their
31 participation could jeopardize the Kern County Employees'
32 Retirement Association's tax-qualified or governmental plan status
33 under federal law, or if a contract or related contract amendment
34 proposed by the authority contains any benefit provisions that are
35 not specifically authorized by Chapters 3 (commencing with
36 Section 31450) and 3.9 (commencing with Section 31899) of Part
37 3 of Division 4 of Title 3 of the Government Code or Article 4
38 (commencing with Section 7522) of Chapter 21 of Division 7 of
39 Title 1 of the Government Code, and that the board determines
40 would adversely affect the administration of the system. There

1 shall not be any individual employee elections regarding
2 participation in the Kern County Employees' Retirement
3 Association or other retirement plans except to the extent such
4 retirement plans provide for elective employee salary deferral
5 contributions in accordance with federal Internal Revenue Code
6 rules.

7 (1) Employees transferred from the county or medical center to
8 the authority who are subject to a memorandum of understanding
9 between the authority and an exclusive employee representative,
10 as described in paragraphs (2) and (3) of subdivision (d), and who
11 were members of the Kern County Employees' Retirement
12 Association at the time of their transfer of employment, shall
13 continue to be a member of the Kern County Employees'
14 Retirement Association, retaining service credit earned to the date
15 of transfer, to the extent provided for in the applicable
16 memorandum of understanding.

17 (2) Employees transferred from the county or medical center to
18 the authority who are subject to a memorandum of understanding
19 between the authority and an exclusive employee representative,
20 as described in paragraphs (2) and (3) of subdivision (d), and who
21 were not members of the Kern County Employees' Retirement
22 Association at the time of their transfer of employment, shall
23 subsequently become a member of the Kern County Employees'
24 Retirement Association only to the extent provided for in the
25 applicable memorandum of understanding.

26 (3) Employees transferred from the county or medical center to
27 the authority who are not subject to a memorandum of
28 understanding between the authority and an exclusive employee
29 representative, as described in paragraphs (2) and (3) of subdivision
30 (d), and who were members of the Kern County Employees'
31 Retirement Association at the time of their transfer of employment,
32 shall continue to be a member of the Kern County Employees'
33 Retirement Association, retaining service credit earned to the date
34 of transfer, as provided in the enabling ordinance or the personnel
35 transition plan.

36 (4) Employees transferred from the county or medical center to
37 the authority who are not subject to a memorandum of
38 understanding between the authority and an exclusive employee
39 representative, as described in paragraphs (2) and (3) of subdivision
40 (d), and who were not members of the Kern County Employees'

1 Retirement Association at the time of their transfer of employment,
2 shall subsequently become a member of the Kern County
3 Employees' Retirement Association only to the extent provided
4 in the enabling ordinance or the personnel transition plan.

5 (5) Employees hired by the authority on or after the effective
6 date of the ~~enabling ordinance~~ *transfer of control of the medical*
7 *center* shall become a member of the Kern County Employees'
8 Retirement Association only to the extent provided in the enabling
9 ordinance or personnel transition plan described in subdivision
10 (a), or, if subject to a memorandum of understanding between the
11 authority and an exclusive employee representative as described
12 in paragraphs (2) and (3) of subdivision (d), to the extent provided
13 for in the applicable memorandum of understanding.

14 (6) (A) Notwithstanding any other law, for purposes of
15 California Public Employees' Pension Reform Act of 2013 (Article
16 4 (commencing with Section 7522) of Chapter 21 of Division 7
17 of Title 1 of the Government Code), an individual who was
18 employed by the county or the medical center when it was a
19 constituent department of the county, and is a member of the Kern
20 County Employees' Retirement Association or the Public
21 Employees' Retirement System, as set forth in Part 3 (commencing
22 with Section 20000) of Division 5 of Title 2 of the Government
23 Code, *or current or contingent member of a plan of replacement*
24 *for members whose retirement benefits are limited by Section 415*
25 *of Title 26 of the United States Code as provided in Section 7522.43*
26 *of the Government Code*, prior to January 1, 2013, and who
27 transfers, directly or after a break in service of less than six months,
28 to the authority, in which the individual continues to be a member
29 of either the Kern County Employees' Retirement Association or
30 the Public Employees' Retirement System, as applicable, shall not
31 be deemed to be a new employee or a new member within the
32 meaning of Section 7522.04 *or 7522.43* of the Government Code,
33 and shall continue to be subject to the same defined benefit
34 formula, as defined in Section 7522.04 of the Government Code,
35 *or plan of replacement benefits for members whose retirement*
36 *benefits are limited by Section 415 of Title 26 of the United States*
37 *Code, as provided in Section 7522.43 of the Government Code*, to
38 which the member was subject immediately prior to the transfer.

39 (B) *For purposes of Section 7522.43 of the Government Code,*
40 *the authority shall be treated as a public employer that offered a*

1 *plan of replacement benefits for members whose retirement benefits*
2 *are limited by Section 415 of Title 26 of the United States Code*
3 *prior to January 1, 2013, with respect to current or contingent*
4 *members of that plan who were employed by the county or the*
5 *medical center when it was a constituent department of the county*
6 *prior to January 1, 2013, and who transfer, directly or after a*
7 *break in service of less than six months, to the authority and*
8 *continue to be a member of either the Kern County Employees’*
9 *Retirement Association or the Public Employees’ Retirement*
10 *System, as applicable.*

11 (h) This chapter shall not prohibit the authority from contracting
12 with the Public Employees’ Retirement System, in accordance
13 with the requirements of Section 20508 and any other applicable
14 provisions of Part 3 (commencing with Section 20000) of Division
15 5 of Title 2 of the Government Code, for the purpose of providing
16 employee participation in that system, or from establishing an
17 alternative or supplemental retirement system or arrangement,
18 including, but not limited to, deferred compensation arrangements,
19 to the extent permitted by law and subject to any applicable
20 agreement between the authority and the exclusive employee
21 representatives, and as provided in the enabling ordinance or the
22 personnel transition plan. Notwithstanding any other law, the
23 authority and employees of the authority shall not participate in
24 the Public Employees’ Retirement System if the Board of
25 Administration of the Public Employees’ Retirement System, in
26 its sole discretion, determines that their participation could
27 jeopardize the Public Employees’ Retirement System’s
28 tax-qualified or governmental plan status under federal law, or if
29 a contract or related contract amendment proposed by the authority
30 contains any benefit provisions that are not specifically authorized
31 by Part 3 (commencing with Section 20000) of Division 5 of Title
32 2 of the Government Code, and that the board determines would
33 adversely affect the administration of the system.

34 (i) Provided that this is not inconsistent with anything in this
35 chapter, this chapter does not prohibit the authority from
36 determining the number of employees, the number of full-time
37 equivalent positions, job descriptions, the nature and extent of
38 classified employment positions, and salaries of employees.

39 *SEC. 5. Section 101855 of the Health and Safety Code is*
40 *amended to read:*

1 101855. (a) ~~The~~ *Subject to any terms, conditions, and*
2 *limitations as may be imposed by the enabling ordinance, the*
3 authority, in addition to any other powers granted pursuant to this
4 chapter, shall have the following powers:

5 (1) To have the duties, privileges, immunities, rights, liabilities,
6 and limitations of a local unit of government within the state.

7 (2) To have perpetual existence, subject to Article 5
8 (commencing with Section 101856).

9 (3) To adopt, have, and use a seal, and to alter it at its pleasure.

10 (4) To sue and be sued in the name of the authority in all actions
11 and proceedings in all courts and tribunals of competent
12 jurisdiction.

13 (5) To purchase, lease, trade, exchange, or otherwise acquire,
14 maintain, hold, improve, mortgage, lease, sell, and dispose of real
15 and personal property of any kind necessary or convenient to
16 perform its functions and fully exercise its powers.

17 (6) To appoint and employ *or otherwise engage* a chief executive
18 officer and other officers and employees that may be necessary or
19 appropriate, including legal counsel, to establish their
20 compensation, provide for their health, retirement, and other
21 employment benefits, and to define the power and duties of officers
22 and employees.

23 (7) (A) To incur indebtedness and to borrow money and issue
24 bonds evidencing the same, including the authority to issue, from
25 time to time, notes and revenue bonds in principal amounts that
26 the authority determines to be necessary to provide sufficient funds
27 for achieving any of its purposes, including, but not limited to,
28 assumption or refinancing of debt service for capital projects
29 eligible for Medi-Cal supplemental payments pursuant to Section
30 14085.5 of the Welfare and Institutions Code, or any successor or
31 modified Medi-Cal debt service reimbursement program, the
32 payment of *principal and* interest on notes and bonds of the
33 authority, the establishment of reserves to secure those notes and
34 bonds, and all other expenditures of the authority incident to and
35 necessary or convenient to carry out its purposes and powers.

36 (B) Any notes, bonds, or other securities issued, and the income
37 from them, including any profit from the sale thereof, shall at all
38 times be free from taxation by the state or any agency, political
39 subdivision, or instrumentality of the state.

(C) Notwithstanding the provisions of subparagraph (A), for any indebtedness, notes, bonds, or other securities that require voter approval pursuant to state law, the prior approval of the board of supervisors shall be required. Notwithstanding the required prior approval of the board of supervisors, any indebtedness incurred, or notes, bonds, or other securities issued pursuant to this subparagraph shall be the indebtedness, notes, bonds, or securities of the authority and not of the county, and the credit of the county shall not be pledged or relied upon in any manner in order to incur the indebtedness, or issue the notes, bonds, or other securities, unless the board of supervisors explicitly authorizes the use of the county's credit. The authority shall reimburse the county for all costs associated with the county's consideration of the indebtedness, notes, bonds, or securities, and the authority shall defend, indemnify, and hold harmless the county from any and all liability, costs, or expenses arising from or related to the indebtedness, notes, bonds, or securities.

(D) Nothing in this section shall preclude the authority from repayment of its debts or other liabilities, using funds that are not otherwise encumbered.

(8) To pursue its own credit rating.

(9) To enter into ~~a contract or agreement~~ *one or more contracts or agreements* consistent with this chapter ~~or the~~ *and other applicable* laws of this state, including, but not limited to, contracting with any public or private entity or person for management or other services and personnel, and to authorize the chief executive officer to enter into contracts, execute all instruments, and do all things necessary or convenient in the exercise of the powers granted in this chapter.

(10) To purchase supplies, equipment, materials, property, and services.

(11) To establish policies relating to its purposes.

(12) To acquire or contract to acquire, rights-of-way, easements, privileges, and property, and to construct, equip, maintain, and operate any and all works or improvements wherever located that are necessary, convenient, or proper to carry out any of the provisions, objects, or purposes of this chapter, and to complete, extend, add to, repair, or otherwise improve any works or improvements acquired by it.

1 (13) To participate in, contract for, and to accept, gifts, grants,
2 and loans of funds, property, or other aid or finance opportunity
3 in any form from the federal government, the state, a state agency,
4 or other source, or combination thereof, as otherwise would be
5 available to a public, government, or private entity, and to comply,
6 subject to this chapter, with the terms and conditions thereof.

7 (14) ~~To~~ *If not otherwise required pursuant to the enabling*
8 *ordinance to deposit its funds in the county treasury, the authority*
9 *may establish its own treasury,* invest surplus money in its own
10 treasury, manage investments, and engage third-party investment
11 managers, in accordance with state law.

12 (15) To arrange for guarantees or insurance of its bonds, notes,
13 or other obligations by the federal or state government or by a
14 private insurer, and to pay the premiums thereof.

15 (16) To engage in managed care contracting, joint ventures,
16 affiliations with other health care facilities, other health care
17 providers and payers, management agreements, or to participate
18 in alliances, purchasing consortia, health insurance pools,
19 accountable care organizations, alternative delivery systems, or
20 other cooperative arrangements, with any public or private entity.

21 (17) To enter into joint powers agreements pursuant to Chapter
22 5 (commencing with Section 6500) of Division 7 of Title 1 of the
23 Government Code. Notwithstanding any other law, the authority
24 may enter into a joint powers agreement as described in Section
25 6523.5 of the Government Code as though that section applied to
26 hospitals and other health care facilities in the County of Kern.

27 (18) To establish nonprofit, for-profit, or other entities necessary
28 to carry out the duties of the authority.

29 (19) To elect to transfer funds to the state and incur certified
30 public expenditures in support of the Medi-Cal program and other
31 programs for which federal financial participation is available.

32 (20) To use a computerized management information system,
33 including an electronic health records system, in connection with
34 its operations, including, without limitation the administration of
35 its facilities.

36 (21) To request that the board of supervisors levy a tax on behalf
37 of the authority. If the board of supervisors approves the proposal
38 to levy the tax, it shall call the election to seek voter approval and
39 place the appropriate measure on the ballot for that election. The
40 proceeds of these taxes shall be tax proceeds of the authority and

1 not of the county. The authority shall reimburse the county for all
2 costs associated with the county's consideration of those taxes,
3 and shall defend, indemnify, and hold harmless the county from
4 any liability, costs, or expenses arising from or related to the
5 imposition of these taxes.

6 (22) Notwithstanding the provisions of this chapter relating to
7 the obligations and liabilities of the authority, or any other law, a
8 transfer of control ~~or ownership~~ of the medical center to the
9 authority pursuant to this chapter shall confer onto the authority
10 all the rights, privileges, and authority set forth in state law to own,
11 operate, and provide coverage and services through hospitals,
12 clinics and other health facilities, health programs, care
13 organizations, physician practice plans, delivery systems, health
14 care service plans, and other coverage mechanisms that may be
15 owned or operated by a county.

16 (23) To engage in other activities that may be in the best interests
17 of the authority and the persons served by the authority, as
18 determined by the board of governors, in order to respond to
19 changes in the health care industry.

20 (b) The authority shall conform to the following requirements:

21 (1) (A) Be a government agency that is a local unit of
22 government separate and apart for all purposes from the county
23 and any other public entity, and shall not be considered to be an
24 agency, division, or department of the county or any other public
25 entity. The authority shall not be governed by or subject to the
26 civil service requirements of the county. ~~Except~~ *Notwithstanding*
27 *any other law, except* as otherwise provided for in the enabling
28 ordinance ~~consistent with~~ *enacted pursuant to* this chapter, and as
29 set forth in Section 101853.1 relating to the personnel transition
30 plan, the authority shall not be governed by, or subject to, other
31 policies or operational rules ~~of applicable to~~ the county, *the*
32 medical center *prior to its transfer*, or any other public entity,
33 including, but not limited to, those relating to personnel and
34 procurement.

35 (B) The board of governors shall adopt written rules, regulations,
36 and procedures with regard to basic human resource functions not
37 inconsistent with memoranda of understanding covering employees
38 represented by employee organizations or the provisions of this
39 chapter. Until the time that the board of governors adopts its own
40 rules, regulations, or procedures with regard to these functions,

1 the existing rules, regulations, and procedures set forth in any
2 memoranda of understanding described in Section 101853.1, and
3 the rules and regulations adopted by the county and described in
4 paragraph (4), shall continue to apply.

5 (2) Be subject to state and federal taxation laws that are
6 applicable to public entities generally.

7 (3) Except as otherwise specifically provided in this chapter,
8 comply with the Meyers-Milias-Brown Act (Chapter 10
9 (commencing with Section 3500) of Division 4 of Title 1 of the
10 Government Code), the Public Records Act (Chapter 3.5
11 (commencing with Section 6250) of Division 7 of Title 1 of the
12 Government Code), and the Ralph M. Brown Act (Chapter 9
13 (commencing with Section 54950) of Part 1 of Division 2 of Title
14 5 of the Government Code).

15 (4) Be subject to the jurisdiction of the Public Employment
16 Relations Board. Until the authority adopts rules and regulations
17 pursuant to subdivision (a) of Section 3507 of the Government
18 Code, the existing rules adopted by the county and contained in
19 the county's employer-employee relations resolution, as amended,
20 shall apply, modified to account for the creation of the authority,
21 and provided further that the resolution shall not contain any
22 incorporation of the county's civil service rules or county
23 ordinances unless specifically addressed in this chapter.

24 (5) Carry professional and general liability insurance or
25 programs to the extent sufficient to cover its activities.

26 (6) Comply with the requirements of Sections 53260 and 53261
27 of the Government Code.

28 (7) Maintain financial and accounting records.

29 (8) Meet all local, state, and federal data reporting requirements.

30 (c) (1) Subject to any restrictions applicable to public agencies,
31 and subject to any limitations or conditions set forth in the enabling
32 ordinance adopted by the board of supervisors, the authority may
33 borrow money from the county, repay debt it owes to the county,
34 and use the borrowed funds to provide for its operating and capital
35 needs. The county may lend the authority funds ~~or issue~~ *and may*
36 *issue debt instruments, including, without limitation, revenue*
37 *anticipation notes to obtain those funds to provide, by loan or*
38 *otherwise, amounts necessary for the authority to meet its operating*
39 ~~or~~ *and capital needs.*

1 (2) *Notwithstanding paragraph (1), nothing in this chapter shall*
2 *be construed to limit the borrowing powers the county otherwise*
3 *has under law for the purposes specified in paragraph (1) or any*
4 *other purposes.*

5 (d) Open sessions of the authority shall constitute official
6 proceedings authorized by law within the meaning of Section 47
7 of the Civil Code. The privileges set forth in that section with
8 respect to official proceedings shall apply to open sessions of the
9 authority.

10 (e) (1) Notwithstanding any other law, the board of governors
11 may order that a meeting held solely for the purpose of discussion
12 or taking action on authority trade secrets, as defined in subdivision
13 (d) of Section 3426.1 of the Civil Code, or to consider and take
14 action on matters pertaining to contracts and contract negotiations
15 concerning all matters related to rates of payment for health care
16 services arranged or provided by the authority, shall be held in
17 closed session. Trade secrets for purposes of this chapter shall also
18 include information for which the secrecy of the information is
19 necessary for the authority to initiate a new service, program,
20 marketing strategy, business plan, or technology, or to add a benefit
21 or product, and premature disclosure of the trade secret would
22 create a substantial probability of depriving the authority of a
23 substantial economic benefit or opportunity.

24 (2) The requirements of making a public report of actions taken
25 in closed session and the vote or abstention of every member
26 present may be limited to a brief general description devoid of the
27 information constituting the trade secret or concerning the matters
28 related to rates of payment.

29 (3) Those records of the authority that reveal the authority's
30 trade secrets are exempt from disclosure pursuant to the California
31 Public Records Act (Chapter 3.5 (commencing with Section 6250)
32 of Division 7 of Title 1 of the Government Code), or any similar
33 local law requiring the disclosure of public records. This exemption
34 shall apply for a period of two years after the service, program,
35 marketing strategy, business plan, technology, benefit, or product
36 that is the subject of the trade secret is formally adopted by the
37 governing body of the authority, provided that the service, program,
38 marketing strategy, business plan, technology, benefit, or product
39 continues to be a trade secret. The board of governors may delete
40 the portion or portions containing trade secrets from any documents

1 that were finally approved in the closed session that are provided
2 to persons who have made the timely or standing request.

3 (4) This chapter shall not prevent the board of governors from
4 meeting in closed session as otherwise provided by law.

5 (f) Notwithstanding any other law, those records of the authority
6 and of the county that reveal the authority's rates of payment for
7 health care services arranged or provided by the authority or its
8 deliberative processes, strategies, discussions, communications,
9 or any other portion of the negotiations with providers of health
10 care services or Medi-Cal, health care plans, or other payers for
11 rates of payment, shall not be required to be disclosed pursuant to
12 the California Public Records Act (Chapter 3.5 (commencing with
13 Section 6250) of Division 7 of Title 1 of the Government Code),
14 or any similar local law requiring the disclosure of public records.
15 However, three years after a contract or amendment to a contract
16 is fully executed, the portion of the contract or amendment
17 containing the rates of payment shall be open to inspection.

18 (g) The authority shall be a public agency that is a local unit of
19 government for purposes of eligibility with respect to grants and
20 other funding and loan guarantee programs. Contributions to the
21 authority shall be tax deductible to the extent permitted by state
22 and federal law. Nonproprietary income of the authority shall be
23 exempt from state income taxation.

24 (h) Unless otherwise provided by the board of supervisors by
25 way of resolution, the authority is empowered, or the board of
26 supervisors is empowered on behalf of the authority, to apply as
27 a public agency for one or more licenses for the provision of health
28 care or the operation of a health care service plan pursuant to
29 statutes and regulations governing licensing as currently written
30 or subsequently amended.

31 (i) The statutory authority of a board of supervisors to prescribe
32 rules that authorize a county hospital to integrate its services with
33 those of other providers into a system of community service that
34 offers free choice of hospitals to those requiring hospital care, as
35 set forth in Section 14000.2 of the Welfare and Institutions Code,
36 shall apply to the authority and the board of governors.

37 (j) (1) Except as otherwise provided in this chapter, provisions
38 of the Evidence Code, the Government Code, including the Public
39 Records Act (Chapter 3.5 (commencing with Section 6250) of
40 Division 7 of Title 1 of the Government Code), the Civil Code,

1 the Business and Professions Code, and other applicable law
2 pertaining to the confidentiality of peer review activities of peer
3 review bodies shall apply to the peer review activities of the
4 authority, or any peer review body, as defined in paragraph (1) of
5 subdivision (a) of Section 805 of the Business and Professions
6 Code, formed pursuant to the powers granted to the authority. The
7 laws pertaining to the confidentiality of peer review activities shall
8 be together construed as extending, to the extent permitted by law,
9 the maximum degree of protection of confidentiality.

10 (2) Notwithstanding Article 9 (commencing with Section 11120)
11 of Chapter 1 of Part 1 of Division 3 of Title 2 of, and Chapter 9
12 (commencing with Section 54950) of Part 1 of Division 2 of Title
13 5 of, the Government Code, or any other provision of law, any
14 peer review body formed pursuant to the powers granted to the
15 authority, may, at its discretion and without notice to the public,
16 meet in closed session, so long as the purpose of the meeting is
17 the peer review body's discharge of its responsibility to evaluate
18 and improve the quality of care rendered by health facilities and
19 health practitioners. The peer review body and its members shall
20 receive, to the fullest extent, all immunities, privileges, and
21 protections available to those peer review bodies, their individual
22 members, and persons or entities assisting in the peer review
23 process, including those afforded by Section 1157 of the Evidence
24 Code and Section 1370. Peer review proceedings shall constitute
25 an official proceeding authorized by law within the meaning of
26 Section 47 of the Civil Code and those privileges set forth in that
27 section with respect to official proceedings shall apply to peer
28 review proceedings of the authority.

29 (3) Notwithstanding the California Public Records Act (Chapter
30 3.5 (commencing with Section 6250) of Division 7 of Title 1 of
31 the Government Code), or Article 9 (commencing with Section
32 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of, and
33 Chapter 9 (commencing with Section 54950) of Part 1 of Division
34 2 of Title 5 of, the Government Code, or any other provision of
35 state or local law requiring disclosure of public records, those
36 records of a peer review body formed pursuant to the powers
37 granted to the authority, shall not be required to be disclosed. The
38 records and proceedings of the peer review body and its individual
39 members shall receive, to the fullest extent, all immunities,
40 privileges, and protections available to those records and

proceedings, including those afforded by Section 1157 of the Evidence Code and Section 1370 of the Health and Safety Code.

(4) If the authority is required by law or contractual obligation to submit to the state or federal government peer review information or information relevant to the credentialing of a participating provider, that submission shall not constitute a waiver of confidentiality.

(5) Notwithstanding any other law, Section 1461 shall apply to hearings on reports of hospital medical audit or quality assurance committees.

(k) Except as expressly provided by other provisions of this section, all exemptions and exclusions from disclosure as public records pursuant to this chapter and the California Public Records Act, including, but not limited to, those pertaining to trade secrets and information withheld in the public interest, shall be fully applicable to the authority, and for the board of supervisors, and all state and local agencies with respect to all writings that the authority is required to prepare, produce, or submit, and which shall not constitute a waiver of exemption from disclosure.

(l) The authority and the county, or any combination thereof, may engage in marketing, advertising, and promotion of the medical and health care services made available to the community by the authority.

~~(m) The~~

(m) (1) The board of supervisors may contract for services or purchase items on behalf of the authority.

(2) Unless otherwise provided for, and subject to the limitations and conditions set forth in the enabling ordinance, the board of governors shall have authority over procurement and contracts for the authority. The board of governors authority and shall adopt written rules, regulations, and procedures with regard to these functions. —Contracts The authority's ability to contract for personnel or other services and items it deems necessary, appropriate, or convenient for the conduct of its activities consistent with its purposes shall only be limited by the provisions in this chapter and obligations under the Meyers-Milias-Brown Act (Chapter 10 (commencing with Section 3500) of Division 4 of Title 1 of the Government Code).

(3) Contracts by and between the authority and a public agency, and contracts by and between the authority and providers of health

1 care, goods, or services, may be let on a nonbid basis and shall be
2 exempt from Chapter 2 (commencing with Section 10290) of Part
3 2 of Division 2 of the Public Contract Code.

4 (n) The authority may contract with the county for services and
5 personnel upon mutually agreeable terms.

6 (o) Notwithstanding Article 4.7 (commencing with Section
7 1125) of Chapter 1 of Division 4 of Title 1 of the Government
8 Code, related to incompatible activities, Section 1099 of the
9 Government Code, related to incompatible offices, or any other
10 law, a member of the authority's administrative staff shall not be
11 considered to hold an incompatible office or to be engaged in
12 activities inconsistent and incompatible with his or her duties as
13 a result of his or her employment or affiliation with the county or
14 an agency of the county.

15 (p) The board of governors and the officers and employees of
16 the authority are public employees for purposes of Division 3.6
17 (commencing with Section 810) of Title 1 of the Government
18 Code, relating to claims and actions against public entities and
19 public employees, and shall be protected by the immunities
20 applicable to public entities and public employees governed by
21 Part 2 (commencing with Section 814) of Division 3.6 of Title 1
22 of the Government Code, except as provided by other statutes or
23 regulations that apply expressly to the authority.

24 *SEC. 6. Section 101855.1 of the Health and Safety Code is*
25 *amended to read:*

26 ~~101855.1. (a) Transfer by the county to the authority of the~~
27 ~~maintenance, operation, and management or ownership of control~~
28 of the medical center, whether or not the transfer includes the
29 surrendering by the county of the existing general acute care
30 hospital license and corresponding application for a change of
31 ownership of the license, shall not affect the eligibility of the
32 county to undertake, and shall authorize the authority, subject to
33 applicable requirements, to do any of the following:

34 (1) With the written consent of the county, participate in and
35 receive allocations pursuant to the California Health Care for
36 Indigents Program pursuant to Chapter 5 (commencing with
37 Section 16940) of Part 4.7 of Division 9 of the Welfare and
38 Institutions Code, or similar programs, as may be identified or
39 earmarked by the county for indigent health care services of the
40 type provided by the medical center.

1 (2) With the written consent of the county, participate in and
2 receive allocations of local revenue fund amounts provided
3 pursuant to Chapter 6 (commencing with Section 17600) of Part
4 5 of Division 9 of the Welfare and Institutions Code as may be
5 identified or earmarked by the county for indigent health care
6 services of the type provided by the medical center.

7 (3) Participate in the financing of, as applicable, and receive,
8 Medicaid disproportionate share hospital payments available to a
9 county hospital or designated public hospital, or any other
10 successor or modified payment or funding that is intended to assist
11 hospitals that serve a disproportionate share of low-income patients
12 with special needs. The allocation of Medicaid disproportionate
13 share hospital payments shall be made in consultation with the
14 State Department of Health Care Services and other designated
15 safety net hospitals.

16 (4) Participate in the financing of, as applicable, and receive,
17 Medi-Cal payments and supplemental reimbursements, including,
18 but not limited to, payments made pursuant to Sections 14105.96,
19 14105.965, 14166.4, 14182.15, and 14199.2 of the Welfare and
20 Institutions Code, payments described in paragraph (4) of
21 subdivision (b) of Section 14301.4 of, and Section 14301.5 of, the
22 Welfare and Institutions Code, and payments made available to a
23 county provider or designated public hospital, or governmental
24 entity with which it is affiliated, under any other successor or
25 modified Medicaid payment system.

26 (5) Participate in the financing of, as applicable, and receive,
27 safety net care pool funding, stabilization funding, delivery system
28 reform incentive pool payments, and any other funding available
29 to a county provider or designated public hospital, or governmental
30 entities with which it is affiliated under the Medicaid demonstration
31 project authorized pursuant to Article 5.2 (commencing with
32 Section 14166) and Article 5.4 (commencing with Section 14180)
33 of Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions
34 Code, or under any other successor or modified Medicaid
35 demonstration project or Medicaid payment system. The allocation
36 of safety net care pool funds shall be made in consultation with
37 the State Department of Health Care Services and other designated
38 safety net hospitals.

39 (6) Participate in the financing, administration, and provision
40 of services under the Low Income Health Program authorized

1 pursuant to Part 3.6 (commencing with Section 15909) of Division
2 9 of the Welfare and Institutions Code, or under any other successor
3 or modified Medicaid demonstration project or Medicaid payment
4 system if the authority enters into an agreement with the county
5 concerning the provision of services by, and payment for these
6 services to, the county.

7 (7) Participate in and receive direct grant and payment
8 allocations pursuant to Article 5.230 (commencing with Section
9 14169.50) of Chapter 7 of Part 3 of Division 9 of the Welfare and
10 Institutions Code, or under any other successor or modified direct
11 grant and payment systems funded by hospital or other provider
12 fee assessments.

13 (8) Receive Medi-Cal capital supplements pursuant to Section
14 14085.5 of the Welfare and Institutions Code, or any other
15 successor or modified Medi-Cal debt service reimbursement
16 program. Notwithstanding any other law, supplemental payments
17 shall be made to the medical center under those programs for the
18 debt service costs incurred by the county, and, if applicable, by
19 the authority to the extent that debt service responsibility is
20 refinanced, transferred to, or otherwise assumed by, directly or
21 indirectly, the authority.

22 (9) Receive any other funds, or preference in the assignment of
23 health care plan enrollees, that would otherwise be available to a
24 county health plan, provider, or designated public hospital, or
25 governmental entity with which it is affiliated.

26 (b) The transfer of *control* of the medical center to the authority
27 pursuant to this chapter shall not otherwise disqualify the county
28 or the authority from participating in any of the following:

29 (1) Local, state, and federal funding sources either specific to
30 county or other publicly owned or operated health care service
31 plans, hospitals, or other health care providers, including, but not
32 limited to, ambulatory care clinics, health systems, practices,
33 designated public hospitals, or governmental entities with which
34 they are affiliated, for which there are special provisions specific
35 to those plans, hospitals, ambulatory care clinics, health systems,
36 practices, other health care providers or governmental entities with
37 which they are affiliated.

38 (2) All funding programs in which the county, by itself or on
39 behalf of the medical center had participated prior to the creation
40 of the authority, or would otherwise be qualified to participate in

- 1 had the authority not been created, and the maintenance, operation,
- 2 ~~and management or ownership~~ *management, control, ownership,*
- 3 *or lease* of the medical center not been transferred to the authority
- 4 pursuant to this chapter.